American Federation of Labor and Congress of Industrial Organizations

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Federal Communications Commission
Office of the Secretary

02-277

Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Powell,

On Wednesday, February 26 the national Executive Council of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) unanimously approved the enclosed policy statement relating to the Commission's ongoing rulemaking regarding media ownership rules.

The AFL-CIO Executive Council is composed of 54 leaders of organized labor in the U.S and represents the consensus views of the nearly 13 million union members and their families who are members of AFL-CIO affiliated unions. These unions include 12 national organizations with over 500,000 professional and technical workers who are employed in almost every facet of news, information and entertainment production.

These organizations are:

- Actors' Equity Association (AEA);
- the American Federation of Musicians (AFM);
- the American Federation of Television and Radio Artists (AFTRA);
- The Newspaper Guild (TNG-CWA);
- the American Guild of Musical Artists (AGMA);
- the American Guild of Variety Artists (AGVA);
- the International Alliance of Theatrical, Stage Employees (IATSE);
- the International Brotherhood of Electrical Workers (IBEW);
- the International Brotherhood of Teamsters (IBT);
- the National Association of Broadcast Employees and Technicians (NABET-CWA);
- the Screen Actors Guild (SAG), and;
- the Writers Guild of America, East.

Many of these trade unions as well as the AFL-CIO have filed comments individually or as part of group submissions during the FCC rule-making process.

The attached policy statement expresses the Federation's opposition to the abolition or significant diminution of media ownership regulations. The statement raises concerns about: expanded monopoly control of media outlets; diversity in both news and entertainment production; localism, content quality and comprehensiveness as well as competition in area news coverage; the impact of media consolidation on employment, wages and working conditions; the critical importance to our democracy of public access to an "uninhibited marketplace of ideas".

Since these views, as well as the comments filed earlier, are provided on behalf of over 40 million trade unionists and their family members—the largest group of consumers of news and entertainment to present views to the Commission—I hope you will take the time to review the enclosed statement and seriously consider the concerns that have been raised by the AFL-CIO.

Thank you in advance for doing so.

Sincerely,

John J. Sweeney
President

cc: To presidents of affiliated unions in news and entertainment

Media Monopolies: A Threat to American Democracy

AFL-CIO EXECUTIVE COUNCIL STATEMENT

February 26, 2003

"It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or a private licensee. It is the right of the public to receive suitable access to social, political, esthetic, moral, and other ideas and experiences which is crucial here. That right may not constitutionally be abridged either by Congress or by the FCC."

The U.S. Supreme Court in the landmark 1969 case of *Red Lion v. FCC* made this unambiguous assertion, which further defined the broader range of constitutional protections that are inherent in the First Amendment. In effect, the nation's highest court ruled that the public's right to receive information is an essential part of the First Amendment's free speech guarantee. Safeguarding the public's right to "an uninhibited marketplace of ideas" requires diversity among those who own and control media outlets, to ensure that Americans remain free to choose among many sources of information, viewpoints, and ideas.

Yet the public's right to receive information from diverse sources is now in serious jeopardy. In one of the most critical domestic policy issues to be addressed this year, the Federal Communications Commission (FCC) is engaged in rule making on media ownership regulations. The outcome of these proceedings will affect literally every household in America and also have a profound impact upon the news, entertainment, information, communications and advertising sectors. Despite wave after wave of media mega-mergers over the last decade, the FCC is about to decide the fate of all its existing media ownership regulations. These public interest standards—some in effect for more than 60 years—prevent monopoly control of news, information and entertainment in media markets throughout our nation. The consolidated rule making, described by FCC Chairman Michael Powell as the most sweeping regulatory action in FCC history, has the potential to reshape radically the nation's media landscape, with likely adverse consequences in media markets both big and small throughout the country.

The AFL-CIO and its affiliated unions in news and entertainment—which collectively represent nearly one-half million professional, technical and blue-collar workers—believe that today's already highly concentrated media marketplace makes robust competition and ownership diversity all the more essential to the economic health and viability of the media and entertainment sectors. In the news and information business, competition and diversity help preserve localism in news coverage, enhance the quality and comprehensiveness of news content, assure a multiplicity of voices from a variety of independent sources and reduce the risk that news will be censored or slanted by a few controlling interests. Maintaining competition and diversity is central to protecting the public's right to information and, importantly, to expanding the public's informed participation in our democracy. In the entertainment sector, competition and diversity stimulate the kinds of creativity and variety in programming that the American public has come to expect but that has significantly diminished since the FCC repealed the Financial Interest and Syndication Rule in 1993.

Media giants, the networks and others who want even more deregulation claim that the proliferation of newer media outlets—cable, satellite and the Internet—create sufficient competition, rendering FCC media ownership regulations obsolete. Yet evidence in the FCC's rule making presented by the entertainment guilds, AFL-CIO unions in broadcasting and journalism, consumer and public-interest organizations, business groups including independent producers and advertisers, as well as some of the FCC's own studies clearly shows that a large swath of these "new" outlets are owned by the same conglomerates that control traditional media. As such, they are not new and diverse voices in the marketplace. In fact, programming on the four major networks has become more, not less, homogenous over the past ten years. Moreover, there has been a precipitous decline in the growth of media outlets in radio and newspapers in particular, with significant consequences for these two traditional sources of news for many Americans.

In radio, the deregulation wrought by Congress through the 1996 Communications Act precipitated the monopolistic expansion of Clear Channel into this communications sector. Described by many as the poster child for what's wrong with media deregulation, Clear Channel has been the target of anti-trust lawsuits, FCC fines for payola violations, Senate oversight hearings and labor-backed legislation introduced by Senator Russell Feingold (D-WI) to outlaw some elements of this radio giant's repertoire of abusive practices affecting the music industry and performing artists.

In local newspapers and television, as the number of diverse and antagonistic news sources has contracted, so has broad-based coverage of vital state and local issues. Corporate dominance of local markets has translated into less public-interest reporting on consumer, environmental, minority and labor affairs, as media owners play to their bottom line—reduced costs—and their business advertisers. As a result, the identity, values and informational needs of local communities are at risk. We are especially concerned about the decline in coverage of labor issues and the sometimes arbitrary refusal by media outlets to air ads paid for by labor organizations, for no reason other than the broadcasters' concerns that they might offend their corporate clients.

For workers in news and entertainment, further media consolidation will exacerbate the assault on their jobs and their professions. Since June 2000, an estimated 70,000 media workers have been laid off. According to the Bureau of Labor Statistics, employment in radio alone—where the pace of station acquisition has been frenetic—has fallen by 7,000 in two years, eliminating 20 years of growth and leaving radio with fewer employees than it had in 1982. According to one industry source "radio stations have been particularly hammered not just by the recession but by concentration of ownership." In broadcast, employment over the same period dropped by 3 percent, ending a 10-year growth cycle.

In addition to the effect on jobs, *The Project for Excellence in Journalism* and others have documented that growing consolidation in the news business has led to a serious decline in the quality of local news as distant corporate media executives demand cuts in news budgets to boost profits. With this decline, media employees and freelancers alike see their bargaining power to fight for better economic conditions and professional standards stifled in the face of ever more powerful media giants.

FCC media ownership rules assure some measure of marketplace accountability through competition. Without them, the "uninhibited marketplace of ideas" would be diminished. Should the FCC decide to eliminate or significantly weaken its media ownership standards, we foresee a feeding frenzy of corporate acquisitions that will lead to more monopolistic cross-ownership of radio, TV, newspapers, the Internet and other media pipelines. Citizen access to diverse sources of information and entertainment will be vastly reduced and the quality of news and entertainment will be further compromised.

In our democratic society, media ownership matters. It matters because ultimately it is the deciding factor that determines what America's working families are able to consume in news, entertainment and information. Most importantly, it matters to our democracy because an informed public is the bedrock of our free and open society.

Accordingly, the AFL-CIO urges the FCC to:

- Retain the Newspaper-Broadcast Cross-Ownership Rule because of its indispensable role in promoting diversity and competition in local news and information;

- Maintain the remaining Local Television and Radio Ownership Rules to ensure the continued existence of independent local television news operations, a public resource so critical to public discourse in our democratic society;

- Safeguard the remaining Local Radio Ownership Limits in order to avoid further deterioration in the radio industry arising from deregulation--diminution in the diversity of music available in local markets, damage to the quality of radio programming nationwide and creation of a market burdened by anti-competitive practices;

- Institute rules to insure that a reasonable level of prime-time programming is created by truly independent producers so there is real source diversity that will increase the choices available to the viewing public;

- Uphold the dual network rule to protect against the erosion of local news and revitalize and encourage innovation in entertainment programming.

- Retain the national audience caps.

The nation's airwaves—the broadcast spectrum—are the people's property. Through FCC licensing, the American people loan this valuable commodity for a certain time to a variety of proprietors in both the private and public sectors. But citizens retain the right to expect that this community asset will be used in the public interest. The FCC's regulatory regimens that protect and advance diversity of ownership, encourage competition and creativity and prevent the growth of media monopolies are time-tested means to protect this invaluable community asset; they are public-interest standards worth fighting for. And the American labor movement intends to remain engaged in this battle as long as it takes to safeguard these protections.